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An Analysis of Britain and American Poverty and Poverty Alleviation and Development Pattern

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Abstract

This article focuses on the subject of both Britain and America, studies the poverty in Britain and United States after World War II in the 19th and 20th century, and illustrates the historical roots of the British and American poverty and their concrete manifestation. In the process, Both Britain and America have been in a critical period of continuous transformation, where poverty alleviation and development played a very important role in the social harmonious development, which becomes the touchstone of two countries, measuring every government achievements since the 20th century. The paper has reviewed, summarized and combed the two countries specific patterns and experiences formed in terms of area and population of poverty alleviation and development, which will have no doubt be the certain enlightenment to the battle for poverty alleviation in the new period of China.

Key words: Industrialization; Poverty alleviation and development; Pattern; Both Britain and America

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INTRODUCTION

Poverty is one of the sharpest social problems in the world today. From scholars from various countries to the United Nations’ “Millennium Development Goals”, all explored systematically from the perspective of different theories of sociology, development economics, regional economics and institutional economics. Amartya (2007) thought that “poverty is not simply caused by low-income, but largely because of lack of basic skills”, which led to the regional poverty in macro and micro sense of poverty. Narayan (2000) and Thorbecke (2005) searched the root causes of poverty, and deemed that poverty was produced mainly in the source of: (a) lack of resources; (b) development of the market is not sufficient; (c) the inherent deficiencies in the market mechanism; (d) unreasonable political and social system; (e) improper policy interventions. China’s ruling party, government and scholars have been always focusing on theoretical exploration and practice of poverty alleviation and development work, and have made remarkable achievements, “make Chinese poverty alleviation become the world’s poverty alleviation mode model” (Wu, 2010), and have formed the “Chinese characteristics”, paying attention to “narrow range, intensify effort” from three aspects in establishment of planning, policy support and mechanisms coordination (Wang, 2011), intensify poverty alleviation and development to promote the transfer of breakthroughs in depth. Xiao and Xu (2011) stressed that “trying to build a dynamic management mechanism for poor object management, with into and out of, support, constraints in management, and eventually overcome traditional adverse incentive effects of policy for poverty alleviation”.

However, China has still nearly 100 million poor people. It needs a long time to against poverty. Fully absorbing the anti-poverty experience and lessons of Britain, America and other western developed countries, firmly relying on Chinese roads, Chinese spirit and Chinese forces, making efforts to solve the problem of

poverty is not only a major theoretical and practical issues faced by the current Chinese academic circles, but also a direct test of the community superiority of the capitalist system, and have a stake in building a moderately prosperous society and realizing the great rejuvenation of the Chinese dream. Through summarizing and combing poverty alleviation and development mode of Britain and the United States is beneficial for providing a reference to battle for poverty alleviation in the new period in China.

1. STANDARDS OF POVERTY AND POVERTY IN BRITISH AND AMERICA

1.1 Standards of Poverty in Britain and America

The internationally accepted approach, ratio of the income is adopted in Britain. Based on the average income of the median household, those whose incomes are below the standard 50%, 60% or 70% are considered to be poverty. Income and family size are the basic elements to designate income poverty line, such as in 2011, pre-tax annual income less than \$ 22,314 of the family of four and pre-tax annual income less than \$ 14,218 of the family of four are poverty.

1.2 Poverty in British and the U.S. and the Causes

1.2.1 Poverty in 19-20 Century in Britain

During the 19-20 century, British society has undergone profound changes, and it has experienced a “big play” to “big drop” to “big play”. Along with a major social transformation in Britain, poverty has become a reality problem, where workers class, the elderly and minors suffer the most severe poverty.

1.2.1.1 Poverty of Working Class

In early 19th century, due to further expanded the industrial revolution and the development of the enclosure movement, unemployment and poverty have become a serious problem in British society. It is estimated that during the Industrial Revolution, there is always a third of working families in poverty. Agricultural workers and artisans represented, from 1800 to 1850, the average weekly wage for agricultural workers is about eight shillings 11 pence to nine shillings 6 pence, equivalent to only half of the same period in the city workers (Perkin, 2002, p.147). In 1806, the British textile workers in the average weekly wage of 200 pence, 1830s dropped to 90 pence a week, until 1850, only 106 pence a week (Ding, 2011), which is too difficult to maintain basic living, so workers began to change their jobs. However, not all workers can be successfully employed. In 1848, the number of totally unemployed reached 400 million people in the United Kingdom, in 1975, British unemployed has 100 million and the number reached to 150 million in

1980 and 300 million in 1982 (Hill, 1985, pp.292-294.). In 1999, the British unemployment rate reached 8.1%. Reduced to a large part of the unemployed poor, and some even become beggars on the streets, some people have had to go into the slums to accept hospital relief. In the 1960s, although the British established a welfare system, it was difficult to escape the low-income “poverty trap.”

1.2.1.2 Child Poverty

In the late 20th century, with the gradual disappearance of absolute poverty, child poverty caused widespread concern in the UK. During this period, the researchers found, the child poverty rate in the UK is much higher than other types of poverty. In 1968, about 12 per cent of children below the poverty line in many school-age children cannot be on time education or malnutrition, of which 65% occurred in the parents of children of poor working-class families, 16% occur in the absence of both parents work 4% occurred in single-parent working families, 15 percent occurred in single-parent families did not work, by the late 1990s, these data were changed to 37%, 20%, 9%, 34% (Morgan, 2007). In the 1970s, replacing the old man became the highest child poverty rate of relative groups. 1990s, about 4.1 million households minors below the poverty line, minors under the age of 16 have 6.4% to rely on social assistance live, receive half the amount of relief aid House, developed in the UK as children countries with the highest poverty rates.

1.2.1.3 Poverty of the Elderly

Victorian England already had very large elderly population. In 1861, the population aged 65 were over 93.2 million, accounting for 4.6% of the total population. In 1891, the number reached about 1.4 million with the ratio increasing to 4.7%, of which 80 million people over 70 years old (Mitchell, 2011, p.5). According to the investigation by Burt in 1891 on the elderly population, among which the population who was over the age of 60 reached 2,145,480. 286,868 people were living in abject poverty, and the poverty rate was 13.4 percent. The poverty rate becomes higher with the age increasing. Extreme poverty rate was 5.3% among the elderly who aged 60-65, 10.9% among 65-70, 18.6% among 70-75, 26.1% among 75-80 and 30% among 85. In the early 20th century, the United Kingdom each year there are still nearly 26% of the elderly recipients of government assistance. By 1993, Britain has 16 million older people, 18 percent of the total population; In 1996/7, pensioner elderly population 22% of people lives below the poverty line.

1.2.2 American Poverty After World War II

1.2.2.1 Child Poverty

Poverty of children and the elderly in the United States together account for almost half of the poor, and child poverty rate is higher, which are primarily from single-parent households headed by women. In the 1960s and 1970s, American society underwent major changes in

family structure, social divorce and rapid growth of unmarried birth rate. From 1959 to 2001, the number of children under the age of 18 was between 60 million and 80million, of which poor children were around 20 million, representing about a third of the total. From 1959 to 2001, the total number of single-parent households headed by women rose from 5.741 million in 1959 to 10.622 million in 1975, almost the double. The poverty rate increased from 24.1% to 51.4%, and in 1978 it reached 58.5%, reaching an all-time high. After that, the poverty rate for 30 years was over 50%, and child poverty has become a persistent problem of poverty.

1.2.2.2 Minority Poverty

The United States is a multi-ethnic country mainly composed of Black, Asians and Hispanics. Racial discrimination is America's most enduring and most serious social problems. According to statistics, in the year 1959-2003, the minority poverty rate was higher than the overall poverty rates. Black poverty rate was almost three times of the overall poverty rate, which was 55.1% in 1959, while Whites poverty was only 18.1%, lower than the national poverty rate of 22.4%.¹ In this period, nearly a quarter of Latin Americans lived below the poverty line, and the poverty rate rose from 26.9% in 1975 to 30.3% in 1993, was two-fold (15.1%) of the national poverty rate.² Asian's poverty rate was relatively low in minority populations, however, between 1990 and 2000, at least half of poor Asians could not benefit from public, and houses were overcrowded, with mixed habitation being common.

1.2.2.3 Southern Poverty

Southern Poverty is a historical legacy of the United States. Black slaves are mainly concentrated in the south, by plantation work to earn a living. Although America began to rebuild the southern area after the civil war, its economy is far behind the national average. In the year 1969-2001, among the poor population of US Northeast, Midwest, South, and west districts, the poor population in the south was more than 10 million, which was about 40 percent of the total poor population, and its poverty rate was above 13 percent in 1959-2001, the highest being 17.9%, far higher than the other three regions and the national average. In the southern region, Appalachian area, the history of the Ghetto, the Triangle and the Rio Grande Valley are the poorest. In Appalachia, for example, in 1960, the region's per capita annual income was only \$ 1,400; 30.7% of households living below the poverty line, the national rate was 22.2%; the unemployment rate was 7.1%, 1.4 times of the national unemployment rate; during 1950-1970, relocation of the population caused by poverty was 320 million people (Phillip, William, & Philliber,

1994, p.4), which could be a persuasive evidence of poverty.

2. ANALYSIS OF THE SAME POVERTY ALLEVIATION AND DEVELOPMENT MODE IN BRITISH AND AMERICA

2.1 Welfare Compensation Model for Poverty Alleviation

Welfare compensation is intended to establish a social welfare system covering the poor to alleviate social poverty.

2.1.1 The British Welfare System and the Coverage of the Poor

Before the 1940s, the British implemented a selective welfare model, such as the "Pension Act" promulgated in 1908 and 1911(the same year "Children Act" and the "National Insurance Law"), and "Maternal and Child Welfare Act" in 1918 which focused on the unemployed, the elderly, widows, children and people with disabilities and other vulnerable groups and relied mainly on in-kind and monetary remedies. In 1942, with the publication of "Beverage Report", Britain gradually established a general society welfare model, and did not build welfare system called "from cradle to grave" until 1948. In the beginning of the 21st century, the British welfare system covered national insurance, national health care, personal social welfare, housing and education in five areas. Among them, the national insurance mainly consisted of a variety of allowances and subsidies, covering the maternal and infant, child, widows, sick and disabled, the unemployed and retirees, victim and those who special difficulties and other groups to maintain their basic living. National health care ensured free medical care of the poor.

2.1.2 The American Welfare System and the Coverage of the Poor

American social welfare system was "reluctantly" gradually built up to achieve the political aspirations of successive governments. After the economic crisis spread from 1929 to 1933, American welfare system expressed the rapid development. The promulgation of the "Social Insurance Law" in 1935 marked that American modern social security system was established, and the responsibility of the poverty relief turned from the local government and charitable organizations to unify federal government to organize and implement. After World War II, American economy continued to boom, in which "another American" was gradually known. Kennedy government attached great importance to the problem of social poverty, so that the social welfare system also underwent the second reform: The first was to expand the scope of the original social security groups and improve allowances; the second was to add a new social security

¹ <http://www.census.gov/hhes/www/poverty/data/historical/people.html#table2>, table2, 2014-08-31.

² Ibid.

project; the third was to establish food stamp program used up to now. Johnson Administration inherited and developed the policy of Kennedy Administration, enlarged the weak support groups, set up special institutions for poverty alleviation and perfected the legislation and the market mechanism. The end of the 20th century, American social welfare mainly included federal social insurance, unemployment benefits, public assistance payments, pregnant women and children welfare and other social insurances (work insurance, old age pension insurance, medical insurance, disability insurance, incident insurance), subsidy (living subsidies, Medicaid) and relief (unemployment benefits, public relief) of the social security act.

2.2 Cooperative Development Mode for Poverty Alleviation

2.2.1 Cooperation Between the British Government and NGO

In the UK, NGO is also known as the charity organization. At the beginning of the seventeenth Century, Britain issued the “charity law” and “poor law”. Folk charity organization had undertaken most of the social relief responsibility, to the end of nineteenth Century, charitable organizations and church relief accounted for 50% in outdoor relief. In the 1970s, when the British “welfare disease” became more serious, NGO development ushered in new opportunities. With the rising of the third sector management theory in the UK, the Thatcher Government entrusted part of the social security system affairs that were charged by the government, such as public relief to the NGO. Under the guidance of “the third road”, Blair Government attached great importance to cooperation with NGO in 1998, the central government and the local government respectively signed “cooperation between the government and the voluntary and community organization framework agreement” (COMPACT) with all of the Britain charities, which first systematically explicated cooperation that the government was responsible for offering funds in the aspects of social relief, and established administrative support system and supervision system independent from the government. NGO received government assistance, to serve as the planning and implementation of role in public relief with more professional management.

2.2.2 Cooperation Between the American Government and NGO

America government and NGO have a long history of cooperation in public utilities. A survey in 1901 found that, “in addition to the four western states and two genera of extraterrestrial, almost all of the states or counties or town governments have some form of assistance to the private charity”. Since 1960s, as the Johnson Administration announced “war on poverty”, the biggest impact and the most comprehensive system of anti-poverty program have

appeared in USA history, and the government acted as decision-maker, funding providers and mentor in public relief. NGO provided education, training, community consultation services to city poverty population, and managed for funds project assignment with specific purposes, including planning and implementation of poverty projects, as well as the physical and funds etc.. In addition, the federal government encouraged states to sign a contract with NGO, implementation of welfare items for the poor. In 1996, through the “welfare reform law”, religious, charitable organizations were allowed to contract with government, which promoted the welfare of the market and privatization, both sides beneficial for the complementary advantages and resource sharing, and further enhanced the quality and efficiency of public management.

2.3 Regional Promotion Mode for Poverty Alleviation

2.3.1 The British Regional Poverty Alleviation

Under natural conditions, industrial development and policy influence, in the mid nineteenth century, with the rise of new industries, especially the rise and transfer of electric power industry, the old British Industrial Zone fast faded with a large number of workers being unemployed. At the same time, environmental problems could not be solved. The city underwent a downturn, and poverty spreads out. Therefore, the British regarded unemployment rate as an important measuring factor of poverty alleviation. In the 1930s, the government designated 4 areas of high unemployment, enacted “SEZ act”, earmarked taxes and rent concessions, to attract local and foreign merchants to settle in, so that to drive the unemployment population employed. In the 1970s, the government through implementation of “Industrial Act (1975)”, “Selective Regional Aid” etc., subsidized small and medium-sized enterprises in the high unemployment rate of poor areas. During the Labor Party, the implementation of the “national plan of neighborhood revival”, effectively promoted the employment of 30 areas. In 1969, the implementation of “community development project”, helped vulnerable groups through the material object, monetary subsidies and employment etc. At the end of the century, delineated and aid “education action zone” and “health action zone”, greatly alleviated poverty.

2.3.2 America Regional Poverty Alleviation

During Roosevelt’s New Deal, American government introduced the first regional aid policy, named “Ma shuttle shoal and Tennessee Valley Development Method” were passed by the Congress in 1933, comprehensively developing water basin and the region to improve the lives of the residents. In 1965, the Johnson Government issued “public works and economic development act”, took “the development strategy to support economic growth center” (Huang, 2001), to solve the aging

Southern agricultural crisis and industrial structure. The same year, the government earmarked \$3,000,000,000 to implement the “law” Abba La Cilia regional development, improved the traffic and industrial situation, promoted the regional economy, and expanded employment. In 1993, Reagan Government enacted the “federal recipient region and recipient Communities Act” and launched the plan of community poverty alleviation, which was the largest in USA history, covering more than 500 rural and city regions, successively by the federal government housing and city development agency approved 6 city recipient regions and 65 City recipient communities, the Ministry of Agriculture approved 3 rural recipient regions and 30 rural aid communities (Wang, 2008), to improve the city living environment, develop rural resources, and strengthen the poverty population’s employment training and education, enhance their abilities of self - development.

3. THE MAIN EXPERIENCE AND ENLIGHTENMENT FROM BRITISH AND AMERICAN POVERTY ALLEVIATION MODE

The founding of new China, especially 30 years of reform and opening up, the cause of poverty alleviation and development in the Chinese has gained a big success that attracts worldwide attention. “China Rural Poverty Alleviation and Development Program (2011-2020)” promulgated in 2011, has marked a new stage of development in order to solve food and clothing from the main task phase to consolidate the results of food and clothing, accelerated poverty, improving the ecological environment, developing capacity and narrowing the development gap. How to fight poverty campaign in the new period, poverty alleviation patterns in Britain and America of industrialization and social transformation process undoubtedly have many valuable experiences.

3.1 To Establish a Sound Social Security System

Chinese Social Security is based on social assistance, social insurance. However, the fundamental role of social assistance to play in the current social assistance in poverty alleviation and development processes are limited, there are many blind spots and dead space in group coverage, kind and aid in many places unfair, or even corruption. This leads to increased capital investment, establishment and improvement of Minimum Life Guarantee System that covers the entire poor from five aspects. (a) Let poor people fully enjoy a fair opportunity of relief, expand relief scope of rural “Five Guarantees” and urban “poor households”, raise the subsidy standards. (b) To establish the access mechanism of urban and rural poverty alleviation, strict statistical standards, strictly prohibit non poor families free rider. (c) To implement differentiate standard of aid (mainly focusing on the cost of medical expenses and education).

(d) To establish specialized supervision organization. (e) To improve shelter service quality, make tramp, beggars and other marginalized populations feel at home. In addition, set up the Social Insurance System that regards guaranteeing subsistence level as the goal. At present, China’s five social insurance attended rate is not high in rural, the Social Insurance cannot improve the urban and rural poverty population’s living condition. Although establishing sound Social Security System should take western “welfare disease” as a warning, vulnerable groups should not be sacrificed.

3.2 To Strengthen the Cooperation Between Government and NGO

China’s poverty alleviation dominated by the government in a long time, implemented of the mode, social participation in poverty alleviation cannot play well. Therefore, it should strengthen the cooperation with NGO, encourage and support NGO to take part in poverty alleviation. Firstly, to accelerate the construction of legal system of NGO, provide legal support for their involving in poverty alleviation and ensure their legitimate rights and interests. Secondly, to be the government entrust part of poverty alleviation matters to NGO, the government in charge of planning projects, check, evaluation and acceptance, NGO is responsible for organization and implementation. Thirdly, to be clear government and NGO’s respective rights and obligations of poverty alleviation, mutual restraint, promote synergy, to help solve practical problems of NGO in the development. Fourthly, to establish the NGO monitoring and evaluation mechanism, so that to provide the reference for the government poverty alleviation cooperation partner selection. Fifthly, to strengthen the extensive contacts and cooperation between NGO and other social organizations, integrate resources, form the resultant force, organize promoting project by project, create poverty alleviation model, and play the role of radiation.

3.3 To Develop Multi-Level Comprehensive Poor Areas

Multi-level and multi-dimensional poverty of regional development policies are helpful for the development of the economy, expanding employment channels, increasing poor people’s income, improving the quality of life. To fight Poverty campaign in the new period well, first, when choose poverty alleviation area, government should not only focus on the regional economic development, but pay more attention to the evaluation of the development potential for the future, combine with spatial characteristics, develop local characteristics. Adjacent areas should be taken into account in regional development, focus on the construction of a number of the medium and small cities and towns who have industry characteristics, competitive advantage and the radiation power. At the same time to improve the poor labor’s skill upgrading mechanism, strengthen their self-

development ability through skills training. Secondly, clear regional development goals and specific plans for poverty alleviation. Proceed from reality, grasp the principal contradiction, breakthrough the key point; focus on the regional advantage resources into sustainable development industry, increase productive employment opportunities. Thirdly, establish and perfect the regional poverty alleviation in regulations, and always let poverty alleviation into protection of the laws and regulations. Finally, from the overall situation, establish the authority supervision system consists of the central and local authorities and the poverty area related departments of, give full play to the role of social supervision, to ensure that the poverty alleviation project funds used in right place as planned, shorten the cycle of poverty alleviation, improve quality, and play to help the poor drive action as soon as possible.

CONCLUSION

Poverty is a widespread social phenomenon, if not resolved well, will affect social stability and harmony. Britain, America and other Western countries did not stop the fight against poverty in the industrialization process or after the period of industrialization, but to strengthen their legislation and explore some good practice in practice, and accumulate good experience for human beings fighting poverty. China is the world's largest developing country, under the leadership of the Communist Party of China, China has been experienced an arduous struggle with poverty, and made remarkable achievements. But it should be noted that China has nearly 100 million poor people. Poverty battle has a long way to be completed for poverty alleviation, infrastructure is underdeveloped in

poor areas, integration of resources is low; anti-poverty law needs to be strengthened, the absence of regulatory measures system is widespread; project management is behind, resource wasted is high, inclusive poverty alleviation efficiency is not high; population outflows after industrialization and urbanization resulting in increased poverty in some poor rural areas, many cities appear new poor groups. These issues need attention. Therefore, to fully draw on the successful anti-poverty experience in Britain and America and utilize this in China, which no doubt has important practical significance to battle for poverty alleviation in the new period of China.

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